

ORDINANCE 1999-1**AN ORDINANCE OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
AMENDING THE MCSD RULES AND REGULATIONS TO INCREASE FEES AND CHARGES**

- WHEREAS,** The District's unrestricted water and sewer department reserves are at 5.4% of water and sewer system fixed assets and it would not be prudent to draw down these reserves further;
- WHEREAS,** The Board has developed a ten year Capital Improvement Program to fund needed water and sewer system improvements while minimizing the need to borrow money to pay for equipment;
- WHEREAS,** This Capital Improvement Program requires an increased level of investment in MCSD water and sewer facilities to provide for foreseeable system and equipment replacement;
- WHEREAS,** The State of California has mandated the filtration of MCSD's water supply from our wholesale supplier, the Humboldt Bay Municipal Water District (HBMWD);
- WHEREAS,** HBMWD estimates that the most cost effective filtration project will cost approximately \$9,000,000 to build and even with grants and low interest loans MCSD's share (13%) of the project costs will exceed \$100,000 per year starting in fiscal year 2002-03;
- WHEREAS,** The MCSD Board included \$15,108 in this year's budget and placed this money into a rate stabilization trust fund to minimize the one time rate increase that would otherwise occur in FY2002-03 to pay MCSD's share of the state mandated filtration project;
- WHEREAS,** The MCSD Board wishes to establish sewer user fees that are fair to both small users and large users by collecting needed additional residential sewer user fees based on water consumption with a \$2.16 per month maximum increase over the \$14.19 base charge for any residence;
- WHEREAS,** The MCSD Board determines that a flat monthly sewer user fee of \$15.08 is a fair charge for customers that do not purchase water from MCSD;
- WHEREAS,** The recent and foreseeable rate of growth in McKinleyville (60 to 70 residences per year) and the resultant water and sewer revenues have slowed dramatically from the growth rates experienced historically (200 to 250 residences per year);
- WHEREAS,** The District has adopted a five year Sewer Capital Improvement Plan which required a 15 percent increase in the FY99-00 sewer connection charge from \$1,525 to \$1,761 per equivalent residential unit based on a growth rate of 70 equivalent residential units in FY99-00;
- WHEREAS,** The District has committed to adjusting this sewer connection charge up or down each year based on growth during the previous fiscal year;
- WHEREAS,** The Board finds that the 6.3% increase in sewer user fee revenue, the 10% increase in water user fee revenue and the 15.5% increase in sewer connection charges described in this ordinance are needed and necessary to provide a reasonable level of service to MCSD's customers and constituents.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT DOES HEREBY AMEND THE MCSD RULES AND REGULATIONS EFFECTIVE 7/1/99 AS FOLLOWS:

- SECTION 1.** The minimum charge per month for multiple living units specified in Rule 16.01 is increased from \$4.25 per living unit to \$4.68 per living unit.

- SECTION 2.** The minimum charge per month for 5/8" to 1" meters for all other customers specified in Rule 16.01 is increased from \$4.25 per month to \$4.68 per month.
- SECTION 3.** The minimum charge per month for 1 1/2" to 2" meters for all other customers specified in Rule 16.01 is increased from \$22.00 per month to \$24.20 per month.
- SECTION 4.** The minimum charge per month for 3" and larger meters for all other customers specified in Rule 16.01 is increased from \$34.00 per month to \$37.40 per month.
- SECTION 5.** The consumption charge schedule specified in Rule 16.01 is replaced with the following schedule (CCF equals 100 Cubic Feet and CF equals 1 Cubic Foot):

"The consumption charge for non-multiple unit customers shall be calculated as a function of the actual water consumed applied to the following schedule:

<u>AMOUNT OF WATER CONSUMED</u>	<u>CHARGE PER 100 CUBIC FEET</u>
100 to 500 Cubic Feet	\$ 0.68
Over 500 Cubic Feet	\$ 1.03

The consumption charge for multiple unit customers shall be calculated by summing the product of the average actual water consumed per unit multiplied by above schedule for all units."

SECTION 6. The Sewer Capacity Charge specified in Rule 21.02(d) is increased from \$1,525 to \$1,761 per Equivalent Residential Unit.

SECTION 7. Rule 27.04, RATE SCHEDULE, is replaced with the following Rule 27.04:

"Rule 27.04. RATE SCHEDULE. Sewer service charges are hereby prescribed as follows:

SCHEDULE OF CHARGES

<u>USER CLASSIFICATION</u>	<u>MONTHLY CHARGE (\$)</u>
Single Family Residence	14.19 + \$0.18/ccf up to 12ccf
Multiple Living Unit (each) and Mobile Home (each) Provided that the \$0.18/ccf consumption charge for multiple unit customers shall be calculated by summing the product of the average actual water consumed per unit multiplied by above schedule for all units.	14.19 + \$0.18/ccf up to 12ccf
Customers without MCSD Water service	15.08
Office Buildings (up to 2,000 square feet with less than 7 people)	15.08
Church, Hall or Rectory	15.08
Post Office	15.08
Restaurant/Tavern	15.08 + \$2.45/ccf over 440 cf of water
Bakery	15.08 + \$2.27/ccf over 440 cf of water
Motel or Hotel	15.08 + \$2.27/ccf over 759 cf of water
Market	15.08 + \$2.85/ccf over 440 cf of water
Retail Store, Bank, Theater and all other	15.08 + \$2.12/ccf over 769 cf of water
Gas Station (no market)	15.08 + \$1.82/ccf over 786 cf of water
Laundromat	15.08 + \$2.27/ccf over 840 cf of water

Fire Station or School
Barber or Beauty Shop
Coast Guard or Airport

15.08 + \$1.14/ccf over 769 cf of water
15.08 + \$1.71/ccf over 440 cf of water
15.08 + \$2.05/ccf over 769 cf of water

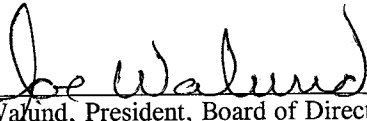
Car Washes
Industrial
Septage delivered to Headworks

15.08 + \$2.27/ccf over 769 cf of water
To be calculated based on flow and load
\$215 plus \$160.80/ccf over 133.67 per dump

FURTHER, THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT DOES HEREBY ESTABLISH A RATE STABILIZATION FUND AS A RESTRICTED WATER DEPARTMENT RESERVE WITH AN INITIAL FY99-00 BALANCE OF \$15,108 TO BE USED TO PAY A PORTION OF MCSD'S INITIAL ANNUAL PAYMENT TO THE HUMBOLDT BAY MUNICIPAL WATER DISTRICT FOR MCSD'S SHARE OF HBMWD'S WATER FILTRATION PROJECT.

On the Motion of Director Shepherd and seconded by Director Murohv, the foregoing ordinance is duly accepted on first reading this 8th day of April, 1999 by the following vote:


AYES: 5 NOES: 0 ABSENT: 0



Joe Walund, President, Board of Directors of McKinleyville Community Services District

ATTEST: Sharon Denison, Secretary, Board of Directors of the McKinleyville Community Services District

I, Sharon Denison, Secretary to the Board of Directors of the MCKINLEYVILLE COMMUNITY SERVICES DISTRICT, hereby certify that the foregoing is a full, true, and correct copy of an ordinance duly adopted this 8th day of April, 1999.



Secretary to the Board of Directors of the McKinleyville Community Services District